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LISTING STATEMENT No. 2241

LISTED AUGUST 15, 1966

219,450 Common shares without par value, of which 8,250 are subject to issuance  
Ticker abbreviation "WJX"  
Post section 8.3  
Dial Ticker No. 1568

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

WAJAX LIMITED

Incorporated under the laws of Canada by Letters Patent dated February 17th, 1910.

CAPITALIZATION AS AT JULY 15th, 1966

SHARE CAPITAL	AUTHORIZED	ISSUED AND OUTSTANDING	TO BE LISTED
Common shares without nominal or par value .....	350,000	211,200	219,450*
* of which 8,250 are subject to issuance			
FUNDED DEBT			
6% Secured Notes due 1972 .....		\$1,099,800	NIL

July 15th, 1966.

1. APPLICATION

Wajax Limited (hereinafter called "the Company") hereby makes application for the listing on the Toronto Stock Exchange of 219,450 common shares without nominal or par value in the capital stock of the Company, of which 211,200 have been issued and are outstanding as fully paid and non-assessable. The remaining 8,250 common shares included in this application have been reserved as follows:

Employees' stock option at \$12.25 per share expiring November 2nd, 1970 ..... 8,250

2. HISTORY

The Company was incorporated as B. J. Coghlin Company Limited under the laws of Canada in 1910 as the successor to a business established in 1869, engaged primarily in the manufacture of coil springs.

In 1954 the Company acquired all the outstanding stock of Watson Jack & Co., engaged in the manufacture of forest fire fighting equipment, and its subsidiary, F. H. Hopkins & Co., distributors of construction equipment. These two companies merged in 1956 to form Watson Jack-Hopkins Ltd. and in 1960 Watson Jack-Hopkins Ltd. changed its name to Wajax Equipment Limited.

In 1956 the Company acquired all the outstanding stock of Canadian Lift Truck Company Limited, distributors of materials handling equipment. The Canadian Lift Truck operation was merged with Wajax Equipment Limited in 1962.

Effective September 6th, 1960, all the manufacturing assets of the parent company were sold to Ontario Steel Products Co. Ltd. The Company discontinued its spring business altogether, and has since operated as a holding company through Wajax Equipment Limited and its other wholly-owned subsidiaries.

In 1964 the Company acquired the fixed assets, physical inventory and name of the Pacific Pumper Division of Pacific Marine Supply Company, Seattle, Washington. A wholly-owned subsidiary of the Company, Pacific Pumpers Inc., was formed to continue the operations of the Division.

In 1965 the Company purchased all the outstanding shares of Red-D-Lift Fork Truck Ltd., Hamilton, Ontario, which is now operated as the Hamilton Branch of Wajax Equipment Limited.

By Supplementary Letters Patent dated December 20th, 1965 the corporate name of the Company was changed from B. J. Coghlin Co. Limited to Wajax Limited.



## NATURE OF BUSINESS

## OPERATIONS

The operations of the Company described in this prospectus are conducted by five wholly-owned subsidiaries through three principal divisions — Construction Equipment, Materials Handling Equipment and Forestry Equipment.

## CONSTRUCTION EQUIPMENT DIVISION

The construction equipment division sells, leases, rents and services a wide range of construction equipment, including road graders and rollers, heavy duty excavators, hydraulic cranes and the recently introduced "climbing cranes". In addition to its line of heavy equipment, the division specializes in miscellaneous small equipment, including portable space heaters, compactors and vibrators.

The division is the sales representative for over 25 well-known Canadian and American manufacturers in its market areas. It distributes some 75 major items with numerous variations and extras available, which it offers to more than 3,000 regular customers, including various levels of government, the pulp and paper industry, mining companies and many construction firms throughout Canada.

## MATERIALS HANDLING EQUIPMENT DIVISION

The materials handling equipment division, which operates as the "Canadian Lift Truck Division", is engaged in the sale, leasing, rental and servicing of fork lift trucks and allied materials handling equipment. This division represents Towmotor Corporation and Gerlinger Carrier Company of the United States and Lansing Bagnall Limited of England, offering its more than 2,500 regular customers the widest range of fork lift products available in the Canadian market. Its principal customers include the pulp and paper and transportation industries and with the trend to larger warehousing and storage facilities and rising costs of labour, the expansion of its markets is expected to continue.

As part of its expansion program the Company has recently acquired all the outstanding shares of Red-D-Lift Fork Truck Limited, of Hamilton, Ontario, a firm engaged in the sale, leasing, rental and service of materials handling equipment in southwestern Ontario and which represents in this highly industrialized market area the same manufacturers as the Company. While this subsidiary presently specializes in materials handling equipment, its operations are being expanded to include construction equipment.

## FORESTRY EQUIPMENT DIVISION

The forestry equipment division manufactures a wide range of portable forest fire fighting and control equipment of its own design which it sells in both Canada and the United States. The Company occupies a leading position in this field and supplies a major portion of the Canadian market. This division's product line comprises some 35 pumps and a wide range of accessories.

The division's manufacturing operations are conducted in Montreal and, through the acquisition in 1964 of the Pacific Pumper Division of Pacific Marine Supply Company, in Seattle, Washington. The Company is introducing the more advanced Canadian designs to the American market and, through selected agents located across the United States, is extending its market area.

Principal customers are the forest fire control agencies, both private and public, and the pulp and paper companies primarily in British Columbia, Ontario, Quebec and the Maritime provinces.

## GENERAL

During the past five years the Company has been expanding its market area through the opening of sales and service branches in various parts of the country all of which, with the exception of the Toronto branch, are located in leased premises.

During this period the Company has concentrated on the expansion of its product lines and its rental and leasing operations in order to strengthen and protect its position in each of its market areas, and particular emphasis has been placed on the development and marketing of new and advanced forest fire control equipment. The Company is also engaged in a profitable replacement parts business which has shown substantial increases over the past five years.

As the franchised distributor for many well-known international manufacturers, handling a wide range of products and having a high reputation for service, the Company occupies a leading position within its industry and its diversification has increased its capacity to absorb seasonal fluctuations in the construction and forest fire fighting equipment industries.

## INCORPORATION

LETTERS PATENT, February 17th, 1910.

Incorporated as B. J. Coghlin Company Limited, a public company, by Dominion Charter. Authorized capital: 2,000 shares of \$100 each.

SUPPLEMENTARY LETTERS PATENT, September 5th, 1919.

Capital stock increased from 2,000 to 5,000 shares of \$100 each.

SUPPLEMENTARY LETTERS PATENT, June 24th, 1936.

Converted to a private company.

SUPPLEMENTARY LETTERS PATENT, January 13th, 1950.

Reduced authorized capital to 4,460 shares by cancellation of 540 preferred shares redeemed.

Changed authorized capital of 4,460 common shares of \$100 each to 223,000 common shares without par value (50 N.P.V. shares for each original \$100 share authorized).

Re-converted to a public company.

Changed the corporate name to B. J. Coghlin Co. Limited.



SUPPLEMENTARY LETTERS PATENT, September 30th, 1959.

Borrowing powers added.

SUPPLEMENTARY LETTERS PATENT, December 20th, 1965.

Increased authorized capital from 223,000 common shares without nominal or par value to 350,000 common shares without nominal or par value.

Changed the corporate name to Wajax Limited — Wajax Limitée.

#### 5. SHARE ISSUES DURING THE PAST TEN YEARS

DATE OF ISSUE	NUMBER ISSUED	AMOUNT REALIZED PER SHARE	TOTAL AMOUNT REALIZED	PURPOSE OF ISSUE
September 19, 1956	30,000	* \$11.89	* \$356,829	Exchanged for 21,727 shares of Canadian Lift Truck Company Limited. * Book value.
May 1, 1963 - Apr. 30, 1964	4,300	4.50	19,350	Pursuant to exercise of stock options.
May 1, 1964 - Apr. 30, 1965	7,450	4.50	33,525	Pursuant to exercise of stock options.
July 30, 1965	52,800	12.00	633,600	Rights issue to shareholders on one-for-three basis. Funds for general corporate purposes.

#### 6. STOCK PROVISIONS AND VOTING POWERS

The common shares without nominal or par value of the Company are entitled to one vote per share at all meetings of shareholders and on liquidation or other distribution of assets are entitled to participate equally in any and all assets available for distribution to shareholders.

#### 7. RECORD OF PAYMENT OF DIVIDENDS

	Jan. 31st	Apr. 30th	July 31st	Oct. 30th
1956	25¢	25¢	25¢	25¢
1957	25	25	25	25
1958	25	25	25	25
1959	.....	NIL	.....	.....
1960	.....	NIL	.....	.....
1961	.....	NIL	.....	.....
1962	.....	NIL	.....	.....
1963	.....	NIL	.....	.....
1964	NIL	7½	7½	7½
1965	7½	10	10	10
1966	10	10 + 10	12½	

#### 8. PROPERTIES AND PLANT (of Parent Company and Subsidiaries)

##### MONTREAL:

6051 Cote de Liesse, Montreal 9, Quebec.

Building 30,000 sq. ft., constructed 1963

Land 100,000 sq. ft.

Leased (balance of lease 22 years).

6045d Cote de Liesse, Montreal 9, Quebec.

Building 20,000 sq. ft., constructed circa 1958

Land 25,000 sq. ft.

Leased (balance of lease 22 years).

320 Lawrence Street, Greenfield Park, Quebec.

Building 4,400 sq. ft., constructed 1962

Land 6,000 sq. ft.

Leased (balance of lease 12 months).

##### QUEBEC CITY:

2035 Blvd. Hamel, Ville de Duberger, Quebec 8.

Building 5,000 sq. ft., constructed 1950.

Land 11,000 sq. ft.

Leased (balance of lease 5 years).

##### OTTAWA:

2114 Scott Street, Westboro.

Tin clad warehouses, 6,200 sq. ft., constructed circa 1945.

Office buildings and plant, 3,000 sq. ft., constructed circa 1955.

Land 32,000 sq. ft.

Owned (mortgage outstanding \$44,500).



#### TORONTO:

163 Wicksteed Avenue, Leaside, Toronto 17.  
Butler buildings 14,000 sq. ft., constructed circa 1950.  
Office building 4,800 sq. ft., constructed 1965.  
Land 52,240 sq. ft.  
Wholly owned, not subject to mortgage.

#### HAMILTON:

26 Burland Crescent, Hamilton, Ontario.  
Office building and plant, 5,600 sq. ft., constructed 1966.  
Land 23,275 sq. ft.  
Leased (balance of lease 10 years).

#### EDMONTON:

15802 111th Avenue, Jasper Place, Edmonton, Alberta.  
Office building and plant, 4,500 sq. ft., constructed 1963.  
Land 15,000 sq. ft.  
Leased (balance of lease 7 years).

#### VANCOUVER:

1030 West 6th Avenue, Vancouver 9, B.C.  
Office building and plant, 8,500 sq. ft., constructed circa 1947.  
Land 20,650 sq. ft.  
Leased (balance of lease 3 years).

#### SEATTLE WASHINGTON, U.S.A.:

1223 Western Avenue, Seattle 1.  
15,000 sq. ft. office and plant space, being the entire 6th floor of a reinforced concrete building at the above address, constructed circa 1945.  
Leased (balance of lease 6 months).

9.

#### SUBSIDIARIES

The following are wholly-owned subsidiaries of Wajax Limited:

##### WAJAX EQUIPMENT LIMITED

Incorporated by Dominion Letters Patent December 16th, 1914 as Watson Jack and Company Limited, a public company. Converted to private company by Supplementary Letters Patent February 15th, 1949. By Supplementary Letters Patent January 12th, 1951, re-converted to public company and capital stock established at 75,000 common shares N.P.V. authorized, of which 50,000 issued and outstanding. On August 27th, 1954, Wajax Limited (then B. J. Coghlin Co. Limited) issued 45,000 common shares N.P.V. in exchange for the 50,000 common shares N.P.V. outstanding of Watson Jack and Company Limited. By Supplementary Letters Patent December 16th, 1955, name was changed to Watson Jack-Hopkins Limited. By Supplementary Letters Patent November 30th, 1959, name was changed to Wajax Equipment Limited. This is the principal operating subsidiary of the Company, and is engaged in the distribution of equipment in three categories: Construction, Materials Handling and Forest Fire-fighting.

##### WAJAX SERVICES LIMITED

Incorporated by Dominion Letters Patent January 13th, 1926, as Stuebing Lift Trucks Systems of Canada Limited, a public company. By Supplementary Letters Patent February 26th, 1927, name was changed to Canadian Lift Truck Company Limited. By Supplementary Letters Patent October 8th, 1954, converted to a private company, and the existing 25,000 shares without nominal or par value (of which 21,782 issued and outstanding) were designated common shares without nominal or par value, and the capital stock increased by the creation of 100,000 preferred shares of the par value of \$1.00 each. None of the preferred shares were issued. On September 19th, 1956, Wajax Limited (then B. J. Coghlin Co. Limited) issued 30,000 common shares N.P.V. in exchange for 21,727 common shares N.P.V. outstanding of Canadian Lift Truck Company Limited (the balance of 55 shares being in the names of unlocated shareholders). By Supplementary Letters Patent March 1st, 1960, name was changed to Wajax Services Limited. This company is engaged in the sale and service of used equipment, in similar general categories to those handled by Wajax Equipment Limited.

##### RED-D-LIFT FORK TRUCK LIMITED

Incorporated by Ontario Letters Patent December 13th, 1961, as Roberts Industrial Truck Company Limited, a private company. Authorized capital, 3,600 preference shares with a par value of \$10.00 each and 4,000 common shares without common or par value, of which 3,000 preference shares and 53 common shares were subsequently issued. By Supplementary Letters Patent November 28th, 1963, named was changed to Red-D-Lift Fork Truck Limited. On May 3rd, 1965, Wajax Limited (then B. J. Coghlin Co. Limited) purchased all the outstanding shares of Red-D-Lift Fork Truck Ltd. (3,000 preference shares and 53 common shares) for a total consideration of \$150,000. This company's operation now constitutes the Hamilton, Ontario, branch of Wajax Equipment Limited.

##### CANADIAN LIFT TRUCK COMPANY LIMITED

Incorporated by Dominion Letters Patent, June 8th, 1964, as a private company. Authorized capital, one thousand dollars divided into one thousand shares of the par value of one dollar each, of which three shares have been issued. On December 22nd, 1964, Wajax Limited (then B. J. Coghlin Co. Limited) purchased the three outstanding shares of Canadian Lift Truck Company Limited for a total consideration of \$500. This company is dormant.



## PACIFIC PUMPERS INC.

Incorporated as Pacific Pumper, Inc. in the State of Washington, U.S.A., by Articles of Incorporation dated April 14th, 1964. Name changed to Pacific Pumpers Inc. by amended Articles of Incorporation dated April 29th, 1964. Authorized share capital 5,000 shares of no par value common stock, of which 500 shares issued to Wajax Limited (then B. J. Coghlin Co. Limited) on April 28th, 1964 for \$1.00 per share. This company manufactures and distributes in the United States of America pumps and fire-fighting equipment complementary to those distributed by Wajax Equipment Limited in Canada.

The following is a wholly-owned subsidiary of Wajax Equipment Limited:

## WAJAX MANUFACTURING LIMITED.

Incorporated by Dominion Letters Patent, September 18th, 1951, as Boulevard Equipment Limited, a private company. Authorized share capital, 50,000 shares without nominal or par value, of which 1,000 were issued to F. H. Hopkins & Company Limited on September 25th, 1951 for \$1.00 per share. F. H. Hopkins & Company Limited was incorporated by Dominion Letters Patent, April 18th, 1929, as a private company. On January 18th, 1951, Watson Jack & Company Limited (see Wajax Equipment Limited, above) acquired a controlling interest in F. H. Hopkins & Company Limited, and further proceeded to acquire the remaining minority interest for cash over the period 1952-1954. The operations of F. H. Hopkins & Company Limited were transferred to Watson Jack & Company Limited, and the charter of F. H. Hopkins & Company Limited eventually surrendered in September 1962 and accepted February 24th, 1964. Wajax Manufacturing Limited (then Boulevard Equipment Limited) thus became a direct subsidiary of Wajax Equipment Limited. Name was changed to Wajax Manufacturing Limited by Supplementary Letters Patent dated May 1st, 1965. This Company now carries on the manufacture of the fire-fighting pumps distributed by the Forest Fire-fighting Division of Wajax Equipment Limited.

## 10. FUNDED DEBT

Long-term debt consists of \$1,099,800 6% secured notes issued to the Bank of Montreal, repayable \$121,600 per annum with balance due in 1972, as disclosed on the Consolidated Balance Sheet of the Company as at April 30th, 1966, and Notes thereto. There are no arrears in respect of these obligations.

## 11. OPTIONS, ETC.

In accordance with Special By-Law "M" of the Company, options in respect of 8,250 unissued shares of Wajax Limited were granted to ten officers and employees by resolution of the Board of Directors on November 3rd, 1965. These options may be exercised within five years from November 3rd, 1965, at a price of \$12.25 per share. There are no other outstanding options, or other contracts or agreements of a like nature, in respect of the shares of the Company or its subsidiaries.

## 12. LISTING ON OTHER STOCK EXCHANGES

The common shares of the Company are and have been continuously listed in good standing on the Montreal Stock Exchange since January 20th, 1950. No other securities of the Company or its subsidiaries are listed on any Stock Exchange.

## 13. STATUS UNDER SECURITIES ACT

A Prospectus (in the Company's prior name of B. J. Coghlin Co. Limited) dated June 28th, 1965, was filed with the Ontario Securities Commission on June 28th, 1965, and approved by the Commission on July 2nd, 1965.

## 14. FISCAL YEAR AND ANNUAL MEETINGS

The fiscal year ends April 30th. Article I (1) of the Company's By-Laws reads in part: "The Annual General Meeting of Shareholders shall be held at the Head Office of the Company, or at such other place in Canada as the Directors may at any time designate, on such date, not later than four months after the close of the Company's preceding financial year, as the Directors may select". The last Annual General Meeting of Shareholders was held on August 11th, 1965; the forthcoming Annual Meeting is to be held on August 12th, 1966.

## 15. HEAD AND OTHER OFFICES

The Head Office of the Company is at 6051 Cote de Liesse, Saint Laurent, Montreal 9, Quebec. Other offices and places of business are as listed at paragraph 8 above, and in the attached copy of the Company's Annual Report for 1966.

## 16. TRANSFER AGENT

The Company's Transfer Agent is The Royal Trust Company, P.O. Box 730, Place d'Armes, Montreal, Quebec. Concurrently with acceptance for listing on the Toronto Stock Exchange, it is proposed to appoint The Royal Trust Company to act as the Company's transfer agent in Toronto as well.

## 17. TRANSFER FEE

No fee is charged on stock transfers other than Government stock transfer taxes.



18. REGISTRAR

The Company's Registrars are the National Trust Company, 225 St. James Street West, Montreal, Quebec, and 21 King Street East, Toronto, Ontario.

19. AUDITORS

The Company's Auditors are the firm of Touche, Ross, Bailey & Smart, Place Ville Marie, Montreal, Quebec.

20. DIRECTORS AND OFFICERS

DIRECTORS

Ormonde Herbert Barrett, O.B.E.	Executive	152 Morrison Avenue, Montreal 16, Quebec.
Ian Brierley Campbell	Chartered Accountant	750 Upper Lansdowne Avenue, Westmount, Quebec.
Ronald William Chorlton	Company Executive	41 Lombardy Road, Baie d'Urfe, Quebec.
Sidney Hope Dobell, D.S.O.	Executive	1227 Sherbrooke Street West, Montreal 25, Quebec.
Jean-Claude Hébert, D.F.C.	Company Executive	980 Kenilworth Road, Town of Mount Royal, Quebec.
André Moncel	Company Executive	3130 Boulevard Levesque, Chomedey, Quebec.
Peter Paul Saunders	Financial Executive	2186 S.W. Marine Drive, Vancouver 14, British Columbia.
Harold Greville Smith, C.B.E.	Industrialist	3940 Cote des Neiges Road, Montreal, Quebec.
David Leonard Torrey	Investment Dealer	389 Carlyle Avenue, Montreal 16, Quebec.
James Woods Walker, O.B.E., Q.C.	Barrister and Solicitor	10 Avondale Road, South Rosedale, Toronto 5, Ont.

OFFICERS

Harold Greville Smith, C.B.E.	Chairman	3940 Cote des Neiges Road, Montreal, Quebec.
Ronald William Chorlton	President and Treasurer	41 Lombardy Road, Baie d'Urfe, Quebec.
Ian Brierley Campbell, C.A.	Vice-President	750 Upper Lansdowne Avenue, Westmount, Quebec.
Frank Gavin Harvey	Secretary	7425 Canora Road, Montreal 16, Quebec.

21. CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, the applicant Company hereby applies for listing the above-mentioned securities on the Toronto Stock Exchange and the undersigned officers hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

WAJAX LIMITED



"R. W. CHORLTON"  
President

"F. G. HARVEY"  
Secretary

STATEMENT SHOWING NUMBER OF SHAREHOLDERS

DISTRIBUTION OF COMMON STOCK AS OF 15th JULY, 1966

Number	Shares
78 Holders of 1 — 24 share lots	868
216 " " 25 — 99 " "	10,514
228 " " 100 — 199 " "	23,767
85 " " 200 — 299 " "	17,410
24 " " 300 — 399 " "	7,153
23 " " 400 — 499 " "	9,325
43 " " 500 — 999 " "	25,753
39 " " 1000 — up " "	116,410
736 Shareholders	Total shares 211,200



# FINANCIAL STATEMENTS

## WAJAX LIMITED and Subsidiary Companies

### CONSOLIDATED BALANCE SHEET AS AT APRIL 30th

#### ASSETS

CURRENT:	1966	1965
Cash .....	\$ 54,289	\$ 111,278
Accounts and notes receivable, less provision for doubtful accounts .....	3,477,481	2,420,316
Inventories, valued at lower of cost or market (Note 1) .....	5,727,675	4,620,690
Prepaid expenses .....	27,450	17,808
	<u>9,286,895</u>	<u>7,170,092</u>
 ACCOUNTS AND NOTES RECEIVABLE NOT DUE WITHIN ONE YEAR .....	 754,166	 206,365
 FIXED:		
Land, buildings and equipment, at cost .....	919,560	766,680
Accumulated depreciation .....	429,717	372,498
	<u>489,843</u>	<u>394,182</u>
 OTHER:		
Goodwill — at cost .....	82,491	—
Deposit on purchase of shares .....	—	45,000
	<u>\$10,613,395</u>	<u>\$ 7,815,639</u>

#### LIABILITIES

CURRENT:	1966	1965
Bank loan — secured (Note 3) .....	\$ 1,405,600	\$ 1,463,460
Accounts and notes payable and accrued liabilities (Note 4) .....	3,416,876	2,391,555
Taxes payable .....	388,470	161,441
Current portion of long term debt .....	121,600	121,600
	<u>5,332,546</u>	<u>4,138,056</u>
 DEFERRED INCOME .....	 185,696	 95,306
 NOTES PAYABLE NOT DUE WITHIN ONE YEAR (Note 4) .....	 793,220	 209,755
 LONG TERM DEBT:		
Secured notes repayable \$121,600 per annum with balance in 1972 (Note 3)		
Parent company .....	900,000	975,000
Subsidiary .....	199,800	259,200
	<u>1,099,800</u>	<u>1,234,200</u>
Less: Amount included in current liabilities .....	121,600	121,600
	<u>978,200</u>	<u>1,112,600</u>

#### SHAREHOLDERS' EQUITY

CAPITAL STOCK (Note 5)			
Common shares of no par value			
Authorized	— 350,000 shares (1965 — 223,000)		
Issued			
April 30, 1965	— 158,400 shares .....	\$ 1,332,141	1,332,141
During year for cash	— 52,800 shares .....	633,600	
	<u>211,200 shares</u> .....	<u>1,965,741</u>	
 SURPLUS .....	 1,357,992	 927,781	
	<u>3,323,733</u>	<u>2,259,922</u>	
	<u>\$10,613,395</u>	<u>\$ 7,815,639</u>	

On behalf of the Board:

“RONALD W. CHORLTON”, Director.

“IAN B. CAMPBELL”, Director.

The accompanying notes form an integral part of these statements.



WAJAX LIMITED  
and Subsidiary Companies

AUDITORS' REPORT TO THE SHAREHOLDERS

Wajax Limited, Montreal, Que.

We have examined the accompanying consolidated balance sheet of Wajax Limited, (formerly B. J. Coghlin Co. Limited), and subsidiary companies as at April 30th, 1966 and the consolidated statements of income and surplus for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the aforementioned consolidated balance sheet and the consolidated statements of income and surplus present fairly the financial position of the company and its subsidiaries as at April 30th, 1966, and the results of their operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except for the changes outlined in Notes 1 and 2 of which we approve.

TOUCHE, ROSS, BAILEY & SMART  
Chartered Accountants.

Montreal, Que., June 29th, 1966.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT APRIL 30th, 1966

1. At April 30th, 1965, certain units having a net book value of \$663,344 were classified as depreciable rental fleet. It is now the Company's view that these assets should properly be classified as inventory and accordingly they have, this year, been included therein. The adjustment of unit cost to estimated market value which had in previous years been classified as depreciation, has been reflected in the financial statement as a direct charge to cost of sales (1966, \$190,869; 1965, \$219,661).
2. As a result of the reclassification mentioned above, these units are valued for income tax purposes on the same basis as in the financial statements. Accordingly, amounts charged to operations in prior years in respect to their reduction in value to estimated market value, but not at that time claimed for Federal tax purposes, have this year been claimed and the tax provision reduced by approximately \$200,000.
3. \$2,500,000 6% General Mortgage Bonds of a subsidiary company have been pledged as additional security for the bank loan and the secured notes issued to the Company's bankers.
4. Secured notes totalling \$928,766 have been included in the current and long-term classifications.
5. Options are outstanding to purchase 8,250 of the authorized but unissued shares of the Company under the terms of Special By-Law M at a price of \$12.25 per share.  
The period for exercising the option is five years commencing November 3rd, 1965.  
The number of shares optioned to directors or officers is 6,700.
6. The companies were contingently liable for \$438,135 as guarantors of discounted notes secured by conditional sales contracts.
7. The Company and one of its subsidiary companies have entered into long term leases of properties to April 30th, 1976 and April 30th, 1988. The net annual rental cost under these leases will be \$75,000 to April 30th, 1976 and \$68,000 after that date.
8. Assets and liabilities in foreign currencies have been converted to Canadian dollars at the rates prevailing at April 30th, 1966.
9. Directors' remuneration of \$63,417, which includes the total remuneration of Directors who are employees of the Company, has been charged in these financial statements.



WAJAX LIMITED  
and Subsidiary Companies

CONSOLIDATED STATEMENT OF INCOME  
YEARS ENDED APRIL 30th

CURRENT:	1966	1965
Gross revenue .....	\$14,884,048	\$10,546,407
Profit before the undernoted charges .....	843,190	498,377
Interest on long term debt .....	68,483	73,507
Profit before income taxes .....	774,707	424,870
Provision for income taxes (Note 2) .....	174,000	24,792
Net operating profit .....	\$ 600,707	\$ 400,078
Depreciation charged in determining the operating results for the year (Note 1) .....	\$ 68,657	\$ 73,195

CONSOLIDATED STATEMENT OF SURPLUS  
YEARS ENDED APRIL 30th

	1966	1965
Balance at beginning of year .....	\$ 927,781	\$ 578,714
Net operating profit .....	600,707	400,078
	1,528,488	978,792
Incorporation expenses of a subsidiary written off .....	(640)	—
Share issue expenses .....	(69,536)	—
Dividends paid .....	(100,320)	(51,011)
Balance at end of year .....	\$ 1,357,992	\$ 927,781

The accompanying notes form an integral part of these statements.

FINANCIAL HIGHLIGHTS  
(000 omitted)

	1966	1965	1964	1963	1962
Gross Revenue .....	\$ 14,884	\$ 10,546	\$ 8,681	\$ 6,827	\$ 6,551
Profit before Income Taxes .....	775	424	343	215	193
Provision for Income Taxes .....	174	24	26	12	10
Net Profit .....	601	400	317	203	183
Total Assets .....	10,613	7,815	6,006	5,092	4,332
Working Capital* .....	3,954	3,032	2,505	2,188	1,815
Shareholders' Equity .....	3,323	2,260	1,877	1,547	1,279
Shares Outstanding .....	211,200	158,400	150,950	146,650	146,650
Profit per Share:					
Before Income Taxes .....	3.67	2.68	2.27	1.47	1.32
After Income Taxes .....	2.84	2.52	2.10	1.38	1.25
Shareholders' Equity per Share .....	15.74	14.26	12.43	10.55	8.72

\*Adjusted to reflect prior years on a basis consistent with the current year's presentation.











